

MULTIMEDIA



UNIVERSITY

STUDENT IDENTIFICATION NO

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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2018/2019 SESSION

BAC2694 – MANAGEMENT CONSULTANCY

(All Section / Groups)

15 MARCH 2019

9.00 a.m – 12.00 p.m

(3 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 6 pages excluding cover page with 4 Questions only.
2. Attempt ALL questions. The distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided

QUESTION 1

- a) Consulting purposes can be looked at from several angles and described in various ways. Briefly explained the **FIVE (5)** broad, or generic, purpose pursued by clients in using consultants, irrespective of the field of intervention and the specific intervention method used.

(10 marks)

- b) In practice, the **FIVE (5)** basic phases of the consulting process are usually structured, organized, and implemented through particular and separate consulting assignments.

Explain the difference phases of consulting process.

(15 marks)

(Total 25 marks)

QUESTION 2

- a) In management consulting, as in some other professions, there has been a long debate on the appropriateness of marketing and of its various techniques. Even today, some consultants feel uneasy about "selling" their services; they regard it as unprofessional and beneath their dignity. Many consultants are poor at marketing and, if they have to market, they do so with little enthusiasm and imagination.

Lists and briefly explain any **FIVE (5)** of the techniques used in marketing the consulting firms.

(15 marks)

- b) At the entry stage of consulting process, some clients prefer to do their own problem identification and diagnosis, thus they may prepare terms of reference for assignment before talking to any consultant. Others may draft the terms of reference after the preliminary problem diagnosis is done by a consultant.

Why terms of reference are an important element in the consultancy works? Elaborate the details checklist items of terms of reference.

(10 marks)

(Total 25 marks)

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QUESTION 3

- a) Management consulting is a profession with its own objectives, methods, rules and organization. To individuals who join this profession, consulting is a career in which they may spend the main part of their working lives. Individuals considering the career and consulting firm should therefore think very carefully about the characteristics that make someone a suitable candidate. As for any profession, there is no one perfect model against which every entrant can be measured, but there are certain characteristics that affect the consultant's chance of success and personal job satisfaction.

Describe the broad categories of qualities a consultant needs and identify any **FIVE (5)** to consider what qualities the person must possess to perform appropriately the multiple roles required of a management consultant.

(13 marks)

- b) A strategic approach is justified if there is a need for it, not because it has become fashionable. In the past, most consultants followed no particular strategy and tried to react to any opportunity and any expression of interest from a potential client. This has changed. More and more consultants realize that they cannot be offering all things to all clients, and they stand a better chance of obtaining business by offering a unique service, or by serving a market segment where they can outperform other consultants.

Identify and briefly explain how a strategic approach can be useful and make a successful consulting firm.

(12 marks)

(Total 25 marks)

QUESTION 4

Categorised as one of Malaysian small and medium scale businesses, Key Rank Services (KRS) was established in 1994. KRS specialises in building cleaning task such as hospitals, offices, students' hostels, cafeterias, libraries and other parts of building. Other than cleaning jobs, KRS also offers lawn care such as grass mowing and plants trimmings.

The business was initially founded by Ali. Later, an additional investment was contributed by Nassir, who injected some other capital, thus owning a total of 35% of the business. Ever since the additional investment, KRS totally navigated its core business into cleaning. Prior to that, KRS also did some maintenance job for fire-fighting and safety system.

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The business operates out of a central office in Kajang with two storage facilities which located in Segamat and Seremban. These two storage facilities were set up when KRS engaged cleaning projects with Segamat government councils building and Plaza Ampangan, Seremban during early 2000s. Ali still maintained the store as there are some machines and cleaning tools kept inside. *"Some of these rusty tools could still be useful if KRS gain any cleaning tender in southern region"* Ali whispered to Nasir when he suggested shutting down the stores.

Among the projects that KRS are currently engaging include cleaning of residential colleges in Universiti Teknologi MARA, Shah Alam; cleaning of administrative office in Kolej Professional MARA, Banting; grass mowing at old Defence Airport in Sungei Besi; and cleaning job in Youth Hostel in Cheras, Kuala Lumpur. As a medium scale company, financial resources are quite crucial. KRS faces challenges in allocating personnel cost, as well as matching other operating expenses with revenues generated from its services.

Another major problem is getting cleaning crews who are free from visa and legal issues. In order to attract local people to join as cleaning crews, attractive wages package were introduced. Hence, KRS employed some foreign (Indians and Indonesians) cleaning crews. KRS fully supported these foreign crews' visa and levy charges. For a single foreign cleaning crew, KRS has to spend about RM10,000 for the necessary legal documents and procedures. This also includes the management of transporting these crews from their origin to Kuala Lumpur. Apart from that, KRS is also responsible in preparing all of the complicated supporting documents in order to bring these foreign crews into Malaysia.

Cleaning industry

Any cleaning contractor in Malaysia must register their business with Ministry of Finance (MOF). A special MOF code will be granted to these businesses to allow them to bid any government cleaning project. The project will be advertised in local newspaper and tender bids are welcome from these registered contractors. A special Bumiputera¹ status could also be applied from MOF for any business that suits the criteria. This status is apparently a special incentive given to Bumiputera contractors in order to balance the business communities in Malaysia. Besides government and its agencies, cleaning contracts are also commonly offered by statutory agencies or private parties. Among the specific cleaning jobs offered are building maintenance, lawn trimming and maintenance, landfill transfer, and solid waste or garbage collection. The types of garbage cover domestic waste, bulk waste, industrial waste and toxic waste.

¹ Bumiputera refers to describe the Malay race and other indigenous peoples of Southeast Asia, and used particularly in Malaysia.

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The number of registered cleaning contractors keeps growing form year to year. This is however in line with community needs. Cleaning contractors have become highly demanded by all levels of societies including business premises, residential premises and public area. Cleaning contractors have to ensure their equipment, tools and machines are sophisticated or at least able to cope with these high demands. Compact waste truck, lorry, excavators and loaders are among the eminent assets that help cleaning contractors for competitive advantage.

Services and values

Services offered by KRS guarantees the client's asset safety, privacy and security. After each office cleaning job are performed, cleaning crew will be checked one by one to ensure everyone is free from being the prime suspect, should cases of any theft happened. Cleaning crews are strictly prohibited to bring any single thing from clients' premises.

In addition, KRS also offers services that are environmentally friendly, both in the products used and in their methods of disposal. Moreover, KRS also practices recycling and sorting out the dumping collection into appropriate bins. Normally, at the end of each cleaning job, cleaning crews will sort garbage collected into plastics, glass and paper wastage. KRS believes that healthy and environmental friendly business is an important contribution to safely keep the environment and public at large interest.

"Reputation and business image has also been reflected from the way we conducted our business operation", Ali explained to KRS executives, project managers and project supervisors in a recent meeting. "KRS should emphasize the customers' satisfaction. Besides that, this company also values its employees by establishing comfortable working environment, and responsive towards the environment demands", Ali added.

Personnel Plan and benefits

As cleaning services involve huge manpower as its ultimate resources, personnel plan is then become very crucial. This could help to avoid any unnecessary recruitment of cleaning crew and maintain sufficient resources capacity. Ali found out that KRS cleaning crew wages comprise almost two third of the entire operating expenses. Local crews' wages included SOCSO (social security organisation charge for protection of workers related to employment injury, including accidents in the course of employment, occupational diseases, invalidity and death) and employee provident fund (EPF) — Malaysian social security scheme for future saving. For SOCSO, KRS is charged based on crew's basic wage of RM800 as specified by SOCSO Contribution Schedule. Under EPF scheme, KRS contributes 12% from the basic wage for each crew. For foreign crews, SOCSO is necessary; however, not for EPF. Nonetheless, as mentioned earlier, foreign crews incur high visa cost, levy charges and transportation expenses.

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The number of cleaning crews recruited would depend on the project capacity and it was initially agreed on the project tendered. Hence, total wages are varying for each project. Each cleaning project crew will be headed by a supervisor. Two supervisors are in charge of large capacity project (normally for 50 cleaning crews and above). Project manager and administrative executive also involved in monitoring the project. Currently, there are two project managers in KRS.

Cleaning crews consist of total full-time crews and part timers who work on an hourly basis. All of these part time crews will be hired at a higher hourly charge - RM 7.00/ hour (compared to fulltime crew if their wages is being pro-rated) but normally, overtime will be limited. Ali prefers to pay overtime rather than to appoint additional crew as seeking available local cleaning crew is not easy as it is thought. Some benefits offered to KRS crews are uniforms, accommodation and transportation. Ali provides each crew with 2 sets of uniforms. For accommodation, the company rents a house to accommodate these crews however the crews are free to choose their accommodation. Nonetheless, choosing to rent outside will incur them higher cost compared to the RM80 compensation that they are being offered if they opt to find their own accommodation.

Future Planning

For survival, Ali put much effort in planning ahead KRS business activities. Ali plans to introduce residential cleaning services, where the company will provide house cleaner for targeted residential areas. One potential area is where the population is high with middle to high class occupants; with parents who are normally occupied with work.

The charge will be based on hourly basis and the cleaning routines will be discussed by KRS with the clients in details. Ali believes this plan will not only boost KRS operating revenue, but this will also imply how their business cares about today's social and community needs. With the escalation of negative issues of domestic helpers in Malaysia; criminal cases, ran away maid, unfair pay to house helper, child abuses and others, KRS plan will definitely settle house owners' nightmare by offering day house cleaning with a close supervision by the company.

Ali's biggest uncertainty is to keep maintaining the business if KRS has to operate without any long term government contract. Can the company depend on the residential cleaning services as Ali had planned for business survival? Can he gain the safety confidence from the residential prospect clients to clean their house while they are not at home especially with non-local cleaning crews? What else can he do to attract more local cleaning crews to work with KRS? Ali is in dilemma to sustain and improve KRS business operation.

(Adapted the article posted by Nor Balkish Zakaria, a MIA Case study article)

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Required

- (a) Determine the main issues that KRS is facing.
(2 marks)
- (b) In your opinion, what can KRS do to attract local crews to work with them as compared to current situation?
(6 marks)
- (c) As a consultant, for future sustainability of KRS, suggest **THREE (3)** possible ways to ensure residential customers will be satisfied in terms of security with regards to KRS plans to introduce residential cleaning services.
(9 marks)
- (d) Discuss **FOUR (4)** critical success factors which are crucial to small and medium entrepreneurs in general.
(8 marks)

(Total 25 marks)**End-of-page**